

# Education and Entrepreneurship in Italy<sup>†</sup>

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## Abstract

There is wide consensus that entrepreneurial talent is the ability to discover and exploit market opportunities by taking the relevant risky decisions. Discovery and exploitation are separate but interlinked features of entrepreneurship requiring, in different proportions, the use of innate and acquired skills. Institutions and technology, by determining the nature of the discovery and exploitation process and the need for such skills, play an essential role in shaping the nature of entrepreneurial talent and the specific role of education in entrepreneurial selection and performance. Empirical studies on entrepreneurship do not offer a neat picture of the actual contribution of education to entrepreneurial human capital or *entrepreneurial talent*. This unsatisfactory outcome is not surprising and is due to an inadequate assessment of the context-dependent factors shaping the latter. Building on these premises, the aim of our research work is to carry out a in depth analysis of the determinants of entrepreneurship in Italy, thus accounting for the role that variables like the educational qualification, the family background, and social capital play in determining the entrepreneurial selection.

This paper attempts to constitute a first step for the improvement of our understanding by means of a preliminary, exploratory, analysis on the Italian data and a series of probit analyses aimed at identifying the main determinants founding the entrepreneurial choice. Rough data are taken from an original dataset built by the authors partly drawing on the *Survey of Household Income and Wealth* (SHIW) carried out by the Bank of Italy. The latter has been integrated with a wide variety of environmental variables drawn from different data sources describing the social and institutional context of the entrepreneurial activity.

**JEL Classification:** I21, J23, J24, M13, Z13.

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